

WASHINGTON, DC—Congressman Peter DeFazio (D-OR) today voted in favor of H.R. 1, the American Recovery and Reinvestment Act with significant reservations. DeFazio voted in favor of the legislation because the country urgently needs economic stimulus and he is hopeful the bill will be substantially improved by the Senate. Unemployment in Oregon has reached nearly 10% and it is much higher in rural parts of the state. More Oregonians were out of work last month than any time since 1983. In the face of such dire economic circumstances, job creation legislation and economic stimulus is urgently needed. H.R. 1 passed the House of Representatives by a vote of 244 to 188.

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“This bill isn’t enough, but it can be a solid down payment on our economic recovery. It will provide real investments that put Americans back to work and rebuild our country. The bill includes \$515 million for infrastructure spending here in Oregon. This will put thousands of people in the hard hit construction industry back to work getting our highways back in good repair, making improvements at airports and water systems, rebuilding our transit systems and begin to provide new capacity to get people to work more efficiently and avoid the costs of congestion.”

The bill also contains \$10 billion for major investments in the restoration and maintenance of public lands, public lands infrastructure, wildlife conservation, water resources and hazardous fuels reduction to reduce the threat of wildfires and save money on future firefighting costs. And, it includes \$3.25 billion in increased borrowing authority for BPA which will help build critical infrastructure to facilitate renewable and energy efficient projects that BPA has planned but cannot currently build due to a lack of capital and the frozen credit markets. DeFazio requested these additions for Oregon in December and they will create thousands of additional jobs in Oregon and the Pacific Northwest.

DeFazio has been critical of the legislation because it does not include enough infrastructure spending and too many tax cuts. Currently, traditional infrastructure spending accounts for only 7.5% of the bill while tax cuts account for 33%. Every \$1 billion spent on infrastructure creates 34,779 jobs and \$6.2 billion in economic activity. The majority of tax cuts in this bill will provide

no economic stimulus. For example, the President's \$500 tax credit will provide about \$10 a week in most American's pockets. Working families can certainly use the money but it is not going to create needed jobs or help rebuild our crumbling infrastructure. The business tax credits included in the bill have also been tried and tested, with little success. They have been recycled from the Bush Administration years and economic studies have proved their ineffectiveness.

"Every penny of the \$825 billion is borrowed against the future of our kids and grandkids, and so the question is: What benefit are we providing them? What are we doing for the country? It's the difference between real investment that will serve the nation for the next 50 years and tax cuts, and that's a very poor tradeoff," said DeFazio. "I go to my district and people say, 'Yeah, I can use 10 extra bucks a week, but I would rather see more substantial investment.' We've gone through a couple bubbles that were borrowing and consumer-driven. We want a recovery that's solid and based in investment and productivity, and that points us at building things that will serve us decades to come."